

**WEINER
BRODSKY
SIDMAN
KIDER PC**

232459

JUN 15 2012

June 15, 2012

BY HAND DELIVERY

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, SW
Washington, DC 20423

FILED
JUN 15 2012
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
JUN 15 2012
SURFACE
TRANSPORTATION BOARD

Re: STB Finance Docket No. 35641, Sisseton Milbank Railroad Company -
Acquisition and Operation Exemption -- SLA Property Management
Limited Partnership and Sisseton Milbank Railroad, Inc.

STB Finance Docket No. 35642, Twin Cities & Western Railroad Company,
the Estate of Douglas M. Head and the DMH Trust fbo Martha M. Head -
Continuance in Control Exemption -- Sisseton Milbank Railroad Company

Dear Ms. Brown:

Enclosed for filing in the above-referenced proceedings are an original and 10 copies of each of (i) the verified notice of exemption of Sisseton Milbank Railroad Company, pursuant to 49 C.F.R. § 1150.31, and (ii) the petition for exemption of Twin Cities & Western Railroad Company et al. pursuant to 49 C.F.R. Part 1121 and 49 U.S.C. § 11323.

Also enclosed, pursuant to 49 C.F.R. § 1180.6(a)(6), are 20 additional copies of the maps, and two checks, in the amounts of \$1,800 and \$9,300, to cover the filing fees for each of these proceedings.

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy and returning it to our messenger.

Sincerely,

Rose-Michele Nardi/KS
Rose-Michele Nardi

Enclosures

ENTERED
Office of Proceedings

JUN 15 2012

Part of
Public Record

232459



BEFORE THE
SURFACE TRANSPORTATION BOARD

SISSETON MILBANK RAILROAD COMPANY
– ACQUISITION AND OPERATION EXEMPTION –
SLA PROPERTY MANAGEMENT LIMITED PARTNERSHIP
AND SISSETON MILBANK RAILROAD, INC.

FEE RECEIVED

STB FINANCE DOCKET NO. 35641

ENTERED
Office of Proceedings

JUN 15 2012

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.31

JUN 15 2012

Part of
Public Record

SURFACE
TRANSPORTATION BOARD

The Sisseton Milbank Railroad Company ("SMRC"), hereby files this Verified Notice of Exemption to acquire the interests from SLA Property Management Limited Partnership ("SLA") and Sisseton Milbank Railroad, Inc. ("SMRR") in, and operate, the rail line described below ("Subject Line").

1. Applicant's name and current mailing address:

Sisseton Milbank Railroad Company
2925 - 12th Street East
Glencoe, MN 55336

2. Applicant's representative to receive correspondence:

Rose-Michele Nardi
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW
Fifth Floor
Washington, D.C. 20036-1609
(202) 628-2000

3. Information concerning the agreement:

SMRC, SLA and SMRR have reached an agreement whereby SMRC will acquire the interests of SLA and SMRR in and to the Subject Line.

FILED
JUN 15 2012
SURFACE
TRANSPORTATION BOARD

4. Operator of the property:

SMRC will operate the Subject Line.

5. Brief summary of the proposed transaction:

SMRC, SMRR and SLA expect to consummate the transaction on or after July 16, 2012.¹ Currently SMRR operates the Subject Line and SLA owns the real property and the improvements (including the track) of the Subject Line. SMRR and SLA are related parties. Notices to SMRR and SLA may be sent c/o Wheaton-Dumont Coop Elevator, 6587 U.S. Highway 75 North, Wheaton, MN 56269.

SMRC will acquire all of the interests of SMRR and SLA in and to the Subject Line. The Subject Line is an approximately 37.1-mile rail line situated in the Counties of Grant and Roberts, South Dakota, extending from approximate railroad milepost 0.9 in or near Milbank, South Dakota to approximate railroad milepost 38.0 in or near Sisseton, South Dakota. A map of the Subject Line is attached hereto as Exhibit A.

6. Related proceedings:

In connection with this proceeding, Twin Cities & Western Railroad Company, a common carrier railroad ("TCW"), and the Estate of Douglas M. Head and the DMH Trust fbo Martha M. Head, each a non-carrier entity, have filed in STB Finance Docket No. 35642 a petition for exemption, pursuant to 49 U.S.C. § 10502, to continue in control of SMRC once SMRC becomes a carrier.²

7. Interchange Commitments. The acquisition of the Subject Line does not involve a provision or agreement that may limit future interchange with a third-party connecting carrier.

8. Environmental Issues:

Pursuant to the Interstate Commerce Commission's decision in *Ex Parte* No. 55 (Sub-No. 22A), *Implementation of Environmental Laws*, 7 I.C.C.2d 807 (1991) ("*Environmental Laws*"), environmental documentation normally need not be prepared for a transaction that does not involve the diversion from rail to motor carriage of more than (A) 1,000 rail

¹ As noted below in Section 6, in connection with this proceeding TCW, the Estate and the Trust (as those terms are defined in Section 6) are seeking Surface Transportation Board ("Board") authority to continue to control SMRC once it becomes a railroad. Because it is likely that the acquisition transaction will close prior to the Board's issuance of an exemption authorizing TCW, the Estate and the Trust to control SMRC, TCW has entered into a Voting Trust Agreement, pursuant to 49 C.F.R. Part 1013, in which the shares of SMRC will be deposited pending TCW's receipt of Board authority to control SMRC.

² SMRC will be a wholly-owned subsidiary of TCW. TCW, in turn, is currently controlled by the Estate. However, it is anticipated that the TCW stock held by the Estate will be distributed to the Trust in the near future.

carloads a year, or (B) an average of 50 rail carloads per mile per year for any part of the affected line (49 C.F.R. § 1105.7(e)(4)), on the one hand, or that does not involve (A) an increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, (B) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment (49 C.F.R. § 1105.7(e)(5)), on the other hand. *See* 49 C.F.R. § 1105.6(c)(2).

The subject transaction will not result in changes in carrier operations that exceed the above-listed thresholds. Therefore, no environmental documentation is required for this Verified Notice of Exemption.

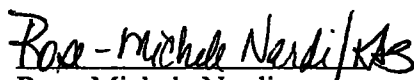
Pursuant to the *Environmental Laws* decision, transactions involving a sale, lease or transfer of a rail line for the purpose of continued rail operations are exempt from the historic report requirements of 49 C.F.R. § 1105.8(a) if termination of such operations requires further approval by the Surface Transportation Board (the "Board") and there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. *See* 49 C.F.R. § 1105.8(b)(1).

Common carrier service on the Subject Line will be continued. SMRC has no plans to dispose of or alter properties subject to Board jurisdiction that are 50 or more years old. Therefore, a historic report is not required for this filing.

9. Certificate of projected revenue:

In accordance with 49 C.F.R. § 1150.33(g), a certificate concerning SMRC's projected revenue is attached as Exhibit B.

Respectfully submitted,



Rose-Michele Nardi
Weiner Brodsky Sidman Kider PC
1300 Nineteenth Street, NW
Fifth Floor
Washington, D.C. 20036-1609
(202) 628-2000

Attorneys for:

SISSETON MILBANK RAILROAD COMPANY

Dated: June 15, 2012

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**SISSETON MILBANK RAILROAD COMPANY
– ACQUISITION AND OPERATION EXEMPTION –
SLA PROPERTY MANAGEMENT LIMITED PARTNERSHIP
AND SISSETON MILBANK RAILROAD, INC.**

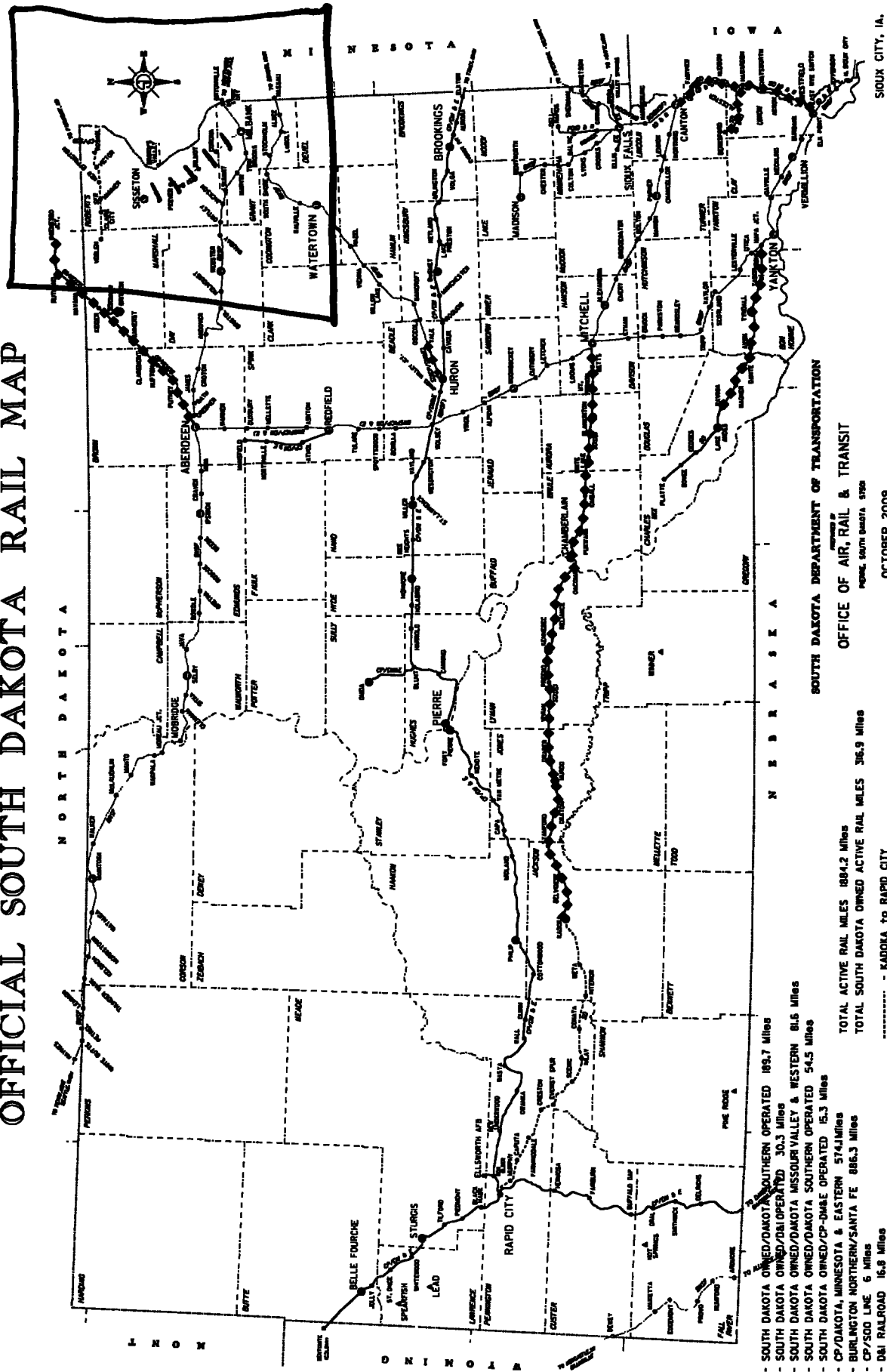
STB FINANCE DOCKET NO. 35641

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.31**

EXHIBIT A

MAP OF SUBJECT LINE

OFFICIAL SOUTH DAKOTA RAIL MAP



- ◆◆◆◆◆ SOUTH DAKOTA OWNED/DK OPERATED 189.7 Miles
- ◆◆◆◆◆ SOUTH DAKOTA OWNED/DK OPERATED 30.3 Miles
- ◆◆◆◆◆ SOUTH DAKOTA OWNED/DK MISSOURI VALLEY & WESTERN 81.6 Miles
- ◆◆◆◆◆ SOUTH DAKOTA OWNED/DK SOUTHERN OPERATED 54.5 Miles
- ◆◆◆◆◆ SOUTH DAKOTA OWNED/CP-DKAE OPERATED 15.3 Miles
- ◆◆◆◆◆ CP/DK, MINNESOTA & EASTERN 57.1 Miles
- ◆◆◆◆◆ BURLINGTON NORTHERN/SANTA FE 886.3 Miles
- ◆◆◆◆◆ CP/SDO LINE 6 Miles
- ◆◆◆◆◆ DAI RAILROAD 16.8 Miles
- ◆◆◆◆◆ SISSETON/NILBANK RAILROAD 37.1 Miles
- ◆◆◆◆◆ ELLIS & EASTERN 14.5 Miles
- ◆◆◆◆◆ SUNFLOUR RAILROAD 27.5 Miles
- TOTAL ACTIVE RAIL MILES 1894.2 Miles
- TOTAL SOUTH DAKOTA OWNED ACTIVE RAIL MILES 36.9 Miles
- KADOKA TO RAPID CITY
- SD OWNED RAIL BANKED 98.5 Miles
- NAPA LINE
- SD OWNED - NOT LEASED 26.6 Miles

SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION
OFFICE OF AIR, RAIL & TRANSIT
P.O. BOX 3000, SIOUX FALLS, SD 57107
OCTOBER 2009

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**SISSETON MILBANK RAILROAD COMPANY
– ACQUISITION AND OPERATION EXEMPTION –
SLA PROPERTY MANAGEMENT LIMITED PARTNERSHIP
AND SISSETON MILBANK RAILROAD, INC.**

STB FINANCE DOCKET NO. 35641

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.31**

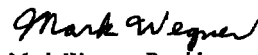
EXHIBIT B

CERTIFICATION OF REVENUE

EXHIBIT B

CERTIFICATION OF REVENUE

The undersigned hereby certifies that the projected revenues of Sisseton Milbank Railroad Company ("SMRC") do not exceed that which qualify it as a class III carrier, nor will they exceed the \$5 million threshold that would require SMRC to provide a 60-day notice to employees pursuant to CFR § 1150.32(e).


Mark Wegner, President
Sisseton Milbank Railroad Company

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**SISSETON MILBANK RAILROAD COMPANY
– ACQUISITION AND OPERATION EXEMPTION –
SLA PROPERTY MANAGEMENT LIMITED PARTNERSHIP
AND SISSETON MILBANK RAILROAD, INC.**

STB FINANCE DOCKET NO. 35641

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.31**

CAPTION SUMMARY

Sisseton Milbank Railroad Company (“SMRC”), a non-carrier Minnesota corporation, has filed a notice of exemption to acquire all or substantially all of the interest of Sisseton Milbank Railroad, Inc. and SLA Property Management Limited Partnership in and to an approximately 37.1-mile rail line situated in the Counties of Grant and Roberts, South Dakota, extending from approximate railroad milepost 0.9 in or near Milbank, South Dakota to approximate railroad milepost 38.0 in or near Sisseton, South Dakota.

Comments must be filed with the Surface Transportation Board and served on Rose-Michele Nardi, Weiner Brodsky Sidman Kider PC, 1300 Nineteenth Street, NW, Fifth Floor, Washington, D.C. 20036-1609.

This proceeding is related to Twin Cities & Western Railroad Company, Estate of Douglas M. Head, and the DMH Trust fbo Martha M. Head– Continuance in Control Exemption – Sisseton Milbank Railroad Company, Finance Docket No. 35642, wherein Twin Cities & Western Railroad, the Estate of Douglas M. Head and the DMH Trust fbo Martha M.

Head have concurrently filed a petition for exemption to continue to control SMRC upon SMRC's becoming a carrier.

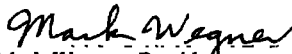
This notice is filed under 49 CFR § 1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Dated:

By the Board,

VERIFICATION

I, Mark Wegner, certify under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief. Further, I certify that I am qualified and authorized to file this Verified Notice of Exemption


Mark Wegner, President
Sisseton Milbank Railroad Company

Dated: June 14, 2012